

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HIGHLAND TELEPHONE)	
COOPERATIVE, INC. FOR THE ISSUANCE OF)	
A CERTIFICATE OF PUBLIC CONVENIENCE)	CASE NO. 89-270
AND NECESSITY TO REPLACE EXISTING)	
SWITCHING EQUIPMENT AT PINE KNOT,)	
KENTUCKY)	

O R D E R

On September 26, 1989, Highland Telephone Cooperative, Inc. ("Highland") applied for a Certificate of Public Convenience and Necessity to replace its existing switching equipment at Pine Knot, Kentucky.

Highland is a non-stock, non-profit membership cooperative with its principal office in Sunbright, Tennessee. Highland provides local exchange and toll telephone service through two exchanges serving one county in Kentucky and eight exchanges serving three counties in Tennessee.

According to Highland's application, the proposed switching equipment, which is a replacement of older equipment, will be installed at Pine Knot facilities. The existing equipment was installed in 1970 and has been expanded to accommodate subscriber growth. This equipment is no longer manufactured, therefore expansion and additions to it are too costly. Also, maintenance of the existing equipment will increase as it continues to age. The proposed equipment will provide Pine Knot exchange

customers with the same services available to Stearns-Whitley City exchange customers. The estimated cost of these proposed replacements will be \$670,500. This cost will be funded through the use of general revenues. These funds will be later reimbursed through a loan from the Rural Electrification Administration.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the replacement of existing switching equipment at Pine Knot is needed to provide adequate and dependable service to existing and future customers.

IT IS THEREFORE ORDERED that Highland shall be and hereby is granted a Certificate of Public Convenience and Necessity to replace its existing switching equipment at Pine Knot, Kentucky.

Done at Frankfort, Kentucky, this 8th day of December, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director